

# **GRANT ADMINISTRATION AND AUDIT GUIDE**

## **FEDERAL JUVENILE JUSTICE GRANTS**

**August 2005**



**California Department of Corrections and Rehabilitation  
Corrections Standards Authority  
600 Bercut Drive  
Sacramento, CA 95814  
(916) 445-5073  
[www.csa.ca.gov](http://www.csa.ca.gov)**

## TABLE OF CONTENTS

### INTRODUCTION

Purpose of Manual .....	1
The Corrections Standards Authority.....	1
Background on Federal Juvenile Justice Programs .....	1

### GRANT AGREEMENT REQUIREMENTS

Components of Contract.....	1
General Contract Provisions .....	2
Budget/Program Modification Requests .....	2
Amendment Requests .....	3
Financial Invoices.....	3
Progress Reports .....	3
Federally Required Performance Measures .....	3
Annual Audit.....	3

### PROJECT COSTS

Eligible Project Costs .....	4
Ineligible Project Costs .....	4
Project Income .....	5
Match Requirements.....	6

<b>RECORD KEEPING .....</b>	<b>7</b>
-----------------------------	----------

### PROJECT MONITORING

On-Site Monitoring .....	7
Audit Requirements .....	7

### APPENDICES

Appendix A	Budget/Program Modification (Form 223)
Appendix B	Agreement Amendment Request Form
Appendix C	Fiscal Invoice (Form 201)
Appendix D	Audit Identification Form

Appendix E	In-State Travel Policies
Appendix F	Out-of-State Travel Request/Justification
Appendix G	Project Income (Form 234)
Appendix H	Juvenile Justice and Delinquency Prevention Audit Guide & Requirements

## **ILLUSTRATIVE AUDITOR’S REPORTS**

Exhibit A	Independent Auditor’s Report (Single Audit)
Exhibit B	Independent Auditor’s Report (Special Report)
Exhibit C	Independent Auditor’s Report on Internal Control Structure
Exhibit D	Independent Auditor’s Report on Compliance with Laws, Regulations, and Grant Contract Requirements

## **ILLUSTRATIVE FINANCIAL STATEMENT AND SCHEDULES**

Exhibit E	Statement of Grant Revenues and Expenditures
Exhibit F	Schedule of Agreement to Actual Costs, Budget to Actual
Exhibit G	Schedule of Eligible Project Costs
Exhibit H	Schedule of Recommended Disallowed Costs
Exhibit I	Audit Documentation Checklist

## INTRODUCTION

### Purpose of Manual

This manual is designed to assist entities that receive federal juvenile justice grants administered by the Corrections Standards Authority (CSA) in complying with federal and state statutes as well as the contractual requirements set forth in the grant agreement with the CSA.

### The Corrections Standards Authority

The CSA (renamed on July 1, 2005 from the Board of Corrections) is composed of 17 members. Fourteen of these members are appointed by the Governor and confirmed by the Senate; three are designated in statute. The appointed members represent specific elements of state and local juvenile and adult criminal justice systems and the general public. The CSA, with assistance and support from its staff, is responsible for a myriad of activities related to state and local corrections systems and issues. Among other things, the CSA:

- Develops and updates minimum standards for state and local correctional facilities and conducts biennial inspections of local facilities (jails, juvenile halls and camps) to monitor compliance with standards (Facilities Standards and Operations Division);
- Develops and monitors standards for the selection and training of local corrections and probation personnel and state correctional peace officers (Standards and Training for Corrections Division); and
- Administers a number of state and federally funded programs designed to reduce juvenile crime and improve the effectiveness of the juvenile justice system through grants or direct allocations to counties, cities, community-based private and nonprofit organizations and other agencies (Corrections Planning and Programs Division).

In carrying out its responsibilities, the CSA and its staff work very closely with county sheriffs, directors of corrections and chief probation officers, as well as state corrections officials and community-based service providers, to achieve continued improvement in the conditions of detention facilities and delivery of corrections programs. For more information, please visit <http://www.bdcorr.ca.gov/index2.htm>.

### Background on Federal Juvenile Justice Programs

In 1974, Congress enacted the Juvenile Justice and Delinquency Prevention (JJDP) Act (Pub. L. No. 93-415, 42 U.S.C. § 5601 *et seq.*). This landmark legislation established the Office of Juvenile Justice and Delinquency Prevention (OJJDP) within the U.S. Department of Justice to support state and local efforts to prevent delinquency and improve the juvenile justice system. Among the programs administered by OJJDP are the Formula Grants Program and Community Prevention Grants Program (Titles II and V of the JJDP Act) and the Juvenile Accountability Block Grants program (Title I of the Omnibus Crime Control and Safe Streets Act). The CSA is the state agency charged with administering these federal grant programs. For further information on the OJJDP and its programs, visit <http://ojjdp.ncjrs.org>.

## GRANT AGREEMENT REQUIREMENTS

### Components of Contract

The contract between the CSA and the grantee includes the following: 1) a State of California Standard Agreement with appropriate exhibits; 2) a copy of the grantee's application, which describes the project and incorporates information about the budget and evaluation activities; and 4) a Governing Board Resolution assuring that the grantee will comply with federal and state statutory and contractual requirements.

## **General Contract Provisions**

Supplanting of Funds – Federal funds must be used to supplement existing funds for program activities and may not replace (supplant) nonfederal funds that have been appropriated for the same purpose. Potential supplanting will be the subject of grant monitoring and project audits. Violations can result in a range of penalties, including recoupment of monies provided under the grant, suspension of future funds, suspension or debarment from CSA grants, and civil and/or criminal penalties.

Indemnification and Hold Harmless – The grantee is responsible for, and shall indemnify and hold the CSA harmless from all liability resulting from, the acts or omissions of the grantee and any sub-grantee.

Termination of Grant Contract – Grant contracts may be subject to termination for the following reasons:

1. Termination due to change in funding: If funds the CSA relied upon to establish the contract are withdrawn, reduced, or limited, or if additional or modified conditions are placed on such funding, the CSA may immediately terminate the contract by providing written notice to the grantee. The termination shall be effective on the date specified in the notice of termination.
2. Termination for default: The CSA may terminate the contract for default, in whole or in part, by written notice to the grantee if the CSA has a reasonable basis to believe that the grantee has failed to meet or maintain any requirement for contracting with CSA, failed to perform under any provision of the contract, failed to ensure the health or safety of any CSA client for whom services are being provided under the contract, or violated any applicable law, regulation, rule or ordinance and/or otherwise breached any provision or condition of the grant. The CSA may terminate the contract by giving the grantee a minimum of a 30-day written notice.

Additionally, the grantee may terminate the contract by giving the CSA a minimum of a 30-day written notice.

Fidelity Bond – All nonprofit organizations that are recipients of federal juvenile justice grants are required to obtain a fidelity bond or an equivalent insurance (employee dishonesty) contract applicable to all officials and employees of a CSA-funded project. Liability insurance does not fulfill this particular requirement. The purpose of the fidelity bond/employee dishonesty insurance requirement is to protect public funds by assuring reimbursement to the grantee or to the CSA of any grant award funds that are stolen or otherwise misappropriated by officials and/or employees of a CSA-funded grantee. Failure to comply with this requirement may result in the withholding of grant funds and/or termination of the grant award agreement. The beneficiary named on the bond or an endorsement must include the “State of California, Corrections Standards Authority.” The total time period of the grant, including any extensions and augmentations, must be covered by the fidelity bond or equivalent insurance contract.

Ownership of Material/Fixed Assets – If paid for with federal funds, materials created or fixed assets bought by the grantee may remain with the grantee under the condition that they continue to be used for juvenile justice related activities or to further the original intent of the grant contract.

## **Budget/Program Modification Requests**

No change or modification in the project may be implemented without prior written approval from the CSA. Requests approved by the Project Manager and Project Financial Officer shall be submitted on-line to the CSA, using Budget/Program Modification Form 223 (**Appendix A**). This form and instructions for completing it are accessible through the Corrections Planning and Programs Division web site at <http://www.bdcrr.ca.gov/cppd/cppd.htm>. Any proposed changes must be transmitted to the CSA and approved before submission of the next invoice. An approved hard copy of budget/program modification will be mailed back to the Project Manager and/or Project Financial Officer.

Under no circumstances will any budget line item changes be authorized which would cause the project to exceed the amount of the grant award identified in the agreement. Further, in no event shall changes be authorized that allow the Administrative Overhead line item for federal funds to exceed the maximum allowable percentage for the grant program.

### **Amendment Requests**

The contract between the CSA and grantee may be amended upon agreement of both parties. Proposed amendments must be submitted using the Agreement Amendment Request Form (**Appendix B**). Sufficient justification must be supplied to support and demonstrate the need for the amendment.

### **Financial Invoices**

Disbursement of grant funds occurs on a reimbursement basis for actual program costs incurred during a reporting period. Grantees must submit invoices on-line to the CSA on a quarterly basis, generally no later than 45 days following the end of the reporting period, using Form 201 (**Appendix C**). Cash advances are not allowed; however, to assist with potential cash-flow issues, non-profit grantees are permitted to submit monthly invoices. Detailed instructions for completing and submitting Form 201 are provided to each grantee and are available on the CSA's web site. The Project Financial Officer must certify that each invoice submitted to the CSA is accurate and reflects actual expenditures incurred by the project (Form 201 includes a certification checkbox). An approved hard copy of all invoices will be mailed back to the Project Financial Officer and/or Project Manager. Failure to submit an accurate financial invoice in a timely manner may result in payments being withheld, delayed, or denied.

Retention of Funds: To ensure that grantees submit a final audit and other required reports, the grant agreement provides that the CSA shall retain a specified percentage of grant funds when processing the final invoice of the grant period. For grants that may be funded for up to three years, no retention amount will be withheld from the final invoice at the end of the first and second year. If grantees have not submitted required reports at the end of these periods, the CSA will defer processing the first invoice of the subsequent 12-month period until required reports have been submitted. If a project expends all funds prior to the end of the grant period, the retention will be withheld from the last invoice claiming expenditures. It is not necessary to submit zero balance invoices after all funds have been expended.

### **Progress Reports**

Grantees must submit quarterly Progress Reports to the CSA. These reports vary by grant program and are available on the CSA's website under the program name. Progress Reports must address all items contained on the form, including specified statistical data.

### **Federally Required Performance Measures**

Each grant program administered by OJJDP has specified performance measures, categorized according to the federally designated program purpose area for the funded project, that must be reported on-line to the federal government. The grant agreement specifies the performance measures that must be reported by each grantee and at what intervals.

### **Annual Audit**

Grantees are required to submit an annual audit report to the CSA within 120 days from the end of the grant period for each fiscal year of grant funding. At the start of each grant year, grantees must submit the Grant Audit Identification Form (**Appendix D**), which identifies the type of audit the grantee plans to submit to the CSA. **Please refer to the section on Project Monitoring for more audit information.**

## PROJECT COSTS

### Eligible Project Costs

The following project-related costs are eligible for reimbursement if paid for with grant funds. These costs may also be claimed as match. Grantees must maintain adequate supporting documentation for all costs, both grant and match, claimed on invoices.

1. **Salaries and benefits** for project staff.
2. **Services and supplies** directly associated with the project.
3. **Travel** necessary for the success of the project.

**In-state travel** costs incurred by city/county employees will be reimbursed in accordance with city/county travel policy. In-state travel costs incurred by staff of community-based organizations will be reimbursed in accordance with the State of California's travel policy (**Appendix E**).

**Out-of-state travel** is restricted and only allowed in exceptional situations. Grantees must obtain prior approval from the CSA for any out-of-state travel by submitting an out-of-state travel justification (**Appendix F**). The justification must be complete and show the benefits to the project in terms of the relationship to the projects goals, objectives, and activities.

4. **Professional or consultant services**, including services provided by community-based organizations and auditing agencies, associated with the project.
5. **Fixed assets** necessary for the project. **Note:** The expenditure of grant funds for fixed assets exceeding \$1,000 per item requires prior approval from the CSA. The project manager must submit a written declaration that the equipment to be purchased is: 1) to be used for services directly associated with the project, 2) essential to the success of the project, and 3) less expensive than leasing or renting the equipment for the grant period (based on a thorough investigation of lease and rental options).
6. **Lease payments** for office space and/or equipment needed for the project.
7. **Purchase or lease of a vehicle** necessary for the project. **Note:** The expenditure of grant funds to purchase or lease a vehicle requires prior approval from the CSA. The project manager must submit a request describing the need for the vehicle, the anticipated impact on the project if the request is not approved, and the agency that will operate the vehicle, provide insurance, and assume liability.
8. **Indirect costs** necessary to the operation of the organization and performance of the project. The cost of operating and maintaining facilities, depreciation, and administrative salaries are examples of indirect costs. The percentage of federal funds that can be expended on indirect costs varies by program and is stipulated in the grant agreement. Additional information on indirect costs is available in the federal Financial Guide 2005 indirect costs (<http://www.ojp.usdoj.gov/FinGuide/>).

### Ineligible Project Costs

Ineligible project costs include but are not limited to:

1. Site acquisition and/or construction costs (except approved plans under the JABG program);

2. Fixed assets over \$1,000 per item, unless the CSA approves a written declaration from the Project Manager as described under Eligible Costs;
3. Supplanting existing programs, projects, resources, or personnel;
4. Personal injury compensation or damages arising out of or connected with the project, whether determined by adjudication, arbitration, negotiation, or otherwise;
5. Fines and penalties due to violation of or failure to comply with federal, state, or local laws and ordinances;
6. Costs outside the scope of the approved project or activities not directly related to the approved project;
7. Interest on bonds or any other form of indebtedness required to finance project costs;
8. All costs incurred in violation of the terms, provisions, conditions, or commitments of the grant agreement;
9. All costs arising out of or attributable to grantee's malfeasance, misfeasance, mismanagement or negligence;
10. All costs arising out of or connected with subcontract claims against the grantee, or those persons for whom the grantee may be vicariously liable, including, but not limited to, any and all costs related to defense or settlement of such claims;
11. Guns, ammunition, and body armor;
12. Use of grant funds to "buy-out" unused sick leave, vacation/administrative leave time not accrued during the grant period. Grant funds may only be used to "buy-out" any period of time an employee was assigned to the program and paid with grant fund;
13. Use of grant funds for out-of-state travel, unless approved by CSA on a case-by-case basis;
14. Bonuses or commissions;
15. Purchase of military-type of equipment;
16. Lobbying activities;
17. Fund raising activities; and
18. Costs incurred outside the grant period.

### **Project Income**

Project income is defined as all income received by the grantee generated as a direct result of a grant supported activity. Types of income that relate directly to a grant and generate project income include but are not limited to: asset seizures and forfeitures; client fees; interest earned on generated income; registration fees; and sale of publications, videos, and other project generated materials. Fundraising should not be recognized as project income, as grant funds cannot be used for organized fundraising.



Project income shall be used as earned by the grantee for any purpose that furthers the broad objectives of the legislation under which the award was made (e.g., expanding or continuing the project, obtaining equipment or other assets needed for the project). Project income may only be used for allowable project costs. Project income cannot be used as required cash match, unless specifically allowed in the Program Guidelines. Project income must be reported at least once a quarter on a CSA Form 234 (**Appendix G**) and may not be expended prior to the approval of the CSA 234. Records of receipt and disposition of project income must be maintained in the same manner as required for grant funds. A separate CSA 234 must be submitted when reporting the actual expenditure of project income. The expenditures must be shown in the same categories as approved. If the income does not have prior approval or if an income surplus exists at the end of the grant period, the income will normally be returned to CSA based on the percentage of federal monies provided by CSA to fund the project. Final determination on the disposition of such income will be made by CSA.

## **Match Requirements**

The Title II Formula Grants Program does not have a match requirement. Grantees under the Title V Community Prevention Grants Program may meet the federal match requirements with cash (hard match) and/or in-kind match. Grantees under the Juvenile Accountability Block Grants program must provide a cash match. Matching funds must be used to support a federally funded project and must be in addition to, and therefore supplement, funds that would otherwise be made available for the stated program purpose. Matching contributions need not be applied at the exact time or in proportion to the obligation of the federal funds. However, all match funds must be spent or encumbered by the time the final invoice is submitted. With the exceptions noted below, the match may not be fulfilled using federal funds.

**Cash match** includes cash spent for eligible project-related costs. Cash match may be applied from the following sources:

- Funds from states and local units of government that have a binding commitment of matching funds for programs or projects;
- Funds from the Housing and Community Development Act of 1974, 42 USC §5301, et seq. (subject to the applicable policies and restrictions of the Department of Housing and Development), and the Appalachian Regional Development Act of 1965, 40 USC §214;
- Funds contributed from private sources;
- Program income and the related interest earned on that program income generated from projects, provided they are identified and approved prior to making an award;
- Program income funds earned from seized assets and forfeitures (adjudicated by a state court, as state law permits);
- Funds appropriated by Congress for the activities of any agency of a Tribal government or the Bureau of Indian Affairs performing law enforcement functions on Tribal lands; and
- Sources otherwise authorized by law.

**In-kind match** is the value of the time, services and/or supplies (including fixed assets) contributed to the project. Third-party in-kind contributions may count toward satisfying match requirements provided the grantee receiving the contributions expends them as allowable costs (see 28 CFR Part 66.24, Grants Management Common Rule for State and Local Units of Governments).

Records for Match – Entities awarded a grant by the CSA must maintain records that clearly show the source, the amount, and the timing of all matching contributions.

Waiver of Match – Federal law provides for a waiver of local match in the case of funds distributed to an eligible Native American Indian tribe for any project supported through the Juvenile Accountability Block Grants Program and, under specified circumstances, a project supported by a Title II award.

## **RECORD KEEPING**

All records relevant to the project must be preserved a minimum of three years after acceptance of the final grant audit by the CSA. Records shall be subject at all reasonable times to inspection, examination, monitoring, and copying by the CSA or its designees, by state government auditors or designees, or by federal government auditors or designees. Grantees shall protect all records adequately from fire or other damage. When records are stored away from the principal office, a written index of the location of stored records must be on hand and ready access must be assured. Grantees shall maintain records and other evidence sufficient to:

1. Document the performance of all acts required by statute, regulation, and the grant agreement;
2. Substantiate the grantee's statement of its organization's structure, tax status, capabilities, and performance; and
3. Demonstrate accounting procedures, practices, and records that sufficiently and properly document the grantee's invoices and all expenditures made by the grantee to perform as required by the contract. Records shall include time and attendance reports for all grant-funded and match-supported positions, whether they are employed full-time or part-time. The grantee shall establish separate accounting records for receipt, deposit and disbursement of all grant funds as specified in the contract.

## **PROJECT MONITORING**

### **On-Site Monitoring**

CSA staff will regularly monitor the administration of projects supported by a federal juvenile justice grant to assess compliance with federal and state statutes and the requirements of the grant agreement. The purposes of this monitoring process, which involves on-site visits, are to observe program operations, review financial records and supporting documentation, and provide technical assistance as needed.

### **Audit Requirements**

In addition to submitting the annual audit, grantees must comply with all requirements outlined in the Juvenile Justice and Delinquency Prevention Audit Guide and Requirements (**Appendix H**). Grantees may also be subject to the following requirements:

Interim Audit: The CSA reserves the right to call for an audit or compliance review (at the CSA's expense) at any time between the execution of the grant agreement and the completion and termination of the project. At any time, the CSA may disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action determined to be not in compliance with the terms and conditions of the grant agreement, or take other remedies legally available.

Corrective Action Plan: Should an audit finding occur, a corrective action plan must be submitted to the CSA. Any disallowed expenditures must be returned to the State of California within 120 days after completion of the audit.

Federal guidelines allow grant recipients receiving \$500,000 or more in Federal funds (from all sources including pass-through sub-awards) in a fiscal year (12-month turnaround reporting period) to use their federal juvenile justice grant funds to pay for the cost of the audit. Grantees falling below the \$500,000 threshold must use non-federal funds to pay for audit costs. For more information, please review the federal Financial Guide 2005 at <http://www.ojp.usdoj.gov/FinGuide/part3chap19.htm>.

## APPENDIX A

State of California BUDGET / PROGRAM MODIFICATION Form BOC 223 (11/04)
--

1. Grantee: <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px; background-color: yellow;"></span> 2. Address: <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px; background-color: yellow;"></span> 3. Project Title: <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px; background-color: yellow;"></span>	4. Grant Award #: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px; background-color: yellow;"></span> 5. Grant Period : From: <span style="border: 1px solid black; display: inline-block; width: 80px; height: 15px; background-color: yellow;"></span> 07/01/04 To: <span style="border: 1px solid black; display: inline-block; width: 80px; height: 15px; background-color: yellow;"></span> 06/30/05	6. Modification #: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px; background-color: yellow;"></span> 7. Effective Invoice: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px; background-color: lightgreen;"></span> Final Invoice 8. Report Period: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px; background-color: lightgreen;"></span> Apr-Jun 2005
---	--	---

REVISIONS TO BUDGET	CURRENT ALLOCATION			PROPOSED CHANGES (+/-)			REVISED BUDGET		
	Federal Funds	Hard Match	In-Kind Match	Federal Funds	Hard Match	In-Kind Match	Federal Funds	Hard Match	In-Kind Match
A. Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C. Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. CBO Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E. Administrative Overhead	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Equipment - Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G. Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>GRAND TOTAL</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Justification for Modification

Person Preparing Report		Project Financial Officer
Name	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Click to Submit</div>	Name
Title		Title
Date		Date
Telephone		Telephone
E-Mail Address		E-Mail Address
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <p style="text-align: center; font-size: small; margin-bottom: 5px;">BOARD OF CORRECTIONS USE ONLY</p> <p>Approved by: <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span>      Date: <span style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></span></p> <p style="text-align: center; font-size: x-small;">BOC Representative</p> </div> <div style="width: 50%; font-size: small;"> <p><input type="checkbox"/> This box must be checked to certify that the Project Financial Officer has reviewed and approved this completed document.</p> </div> </div>		

## **Budget/Program Modification Instructions**

A Budget Modification Request form (Appendix A) must be completed and submitted to the Board for review and approval if there are any budget changes (+/-) in grant or match line-items identified in the grant contract.

To utilize the Budget/Program Modification form, follow the “Instructions for the Juvenile Justice Grants On-Line Process for Invoices and Budget/Program Modifications”. These instructions are contained in each grantee’s on-line workbook.

**Budget Modification:** Utilize the form to indicate any budget changes being made within each line item. This includes changes in federal funds, hard match, or in-kind match. Utilize the Justification for Modification section to explain the reason(s) for the budget modification. The reason should specifically detail the need for the line-item changes, beyond the stated fact that changes will bring the budget in line with the actual expenditures.

**Program Modification:** Provide an explanation of the requested modification and the justification for the request. Program modifications include changes to the design or scope of the project, changes to the program manager/director or financial officer, or changes to the program evaluation component.

## APPENDIX B

State of California AGREEMENT AMENDMENT REQUEST Form JJDP 05	Corrections Standards Authority Corrections Planning and Programs Division Juvenile Justice and Delinquency Prevention Program	
<p>A. Project: _____ Agreement Number: _____</p> <p>Grant Dates: From ____ / ____ / ____ To ____ / ____ / ____ Amendment Number: _____</p>		
<p>B. Section of agreement to be considered for amendment:</p>		
<p>C. Justification for amendment (use additional pages as necessary):</p>		
<p>D. Requested specific agreement language (use additional pages as necessary):</p>		
<p>Person Preparing Request</p> <p>_____ Signature</p> <p>_____ Name</p> <p>_____ Title</p> <p>_____ Date</p> <p>_____ Telephone</p>	<p>Project Financial Officer</p> <p>_____ Signature</p> <p>_____ Name</p> <p>_____ Title</p> <p>_____ Date</p> <p>_____ Telephone</p>	<p>Project Manager</p> <p>_____ Signature</p> <p>_____ Name</p> <p>_____ Title</p> <p>_____ Date</p> <p>_____ Telephone</p>
<p>Mail to: Corrections Standards Authority, Corrections Planning &amp; Programs Division 600 Bercut Drive Sacramento, California 95814</p>		<p>Approval: _____</p> <p>Date _____</p>

# APPENDIX C

## JUVENILE JUSTICE AND DELINQUENCY PREVENTION PROGRAM

State of California FINANCIAL INVOICE FORM BOC 201 (Rev. 11/04)														
1. Grantee: _____			4. Grant Award #: _____			6. Invoice #: _____ 1			8. Final Report? Yes <input type="checkbox"/> No <input type="checkbox"/>					
2. Address: _____			5. Report Period: From <u>07/01/04</u> To <u>09/30/04</u>			7. Grant Period: From <u>07/01/04</u> To <u>09/30/05</u>			Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Only CBOs can report monthly					
3. Project Title: _____														

  

LINE ITEMS	BUDGET			PRIOR EXPENDITURES				THIS PERIOD				BALANCE			
	FEDERAL FUNDS	HARD MATCH	IN-KIND MATCH	FEDERAL FUNDS	HARD MATCH	IN-KIND MATCH	TOTAL	FEDERAL FUNDS	HARD MATCH	IN-KIND MATCH	TOTAL	FEDERAL FUNDS	HARD MATCH	IN-KIND MATCH	TOTAL
9. Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10. Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12. CBO Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13. Administrative Overhead	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14. Equipment - Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15. Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16. Grand Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>RECAP</b>			<b>CUMULATIVE EXPENDITURES TO DATE</b>								<b>EXPENDED / CLAIMED THIS PERIOD</b>				
17. Hard Match			\$ -								\$ -				
18. In-Kind Match			\$ -								\$ -				
19. Federal Funds			\$ -								\$ -				
20. Total Expended/Claimed			\$ -								\$ -				

  

<b>PERSON PREPARING REPORT</b>  Name _____  Title _____  Date _____  Telephone _____  E-Mail Address _____	<input type="checkbox"/> <b>THIS BOX MUST BE CHECKED</b> I hereby certify that I am the authorized financial officer of the herein named agency; and I have not violated any of the provisions of Section 1090 of the Government Code in incurring the above expenditures reported in this request, nor in any other way; that Sections 1090 to 1096 of the Government Code will not be violated in any way in the expenditure of funds pursuant to this request; and that the request is in all respects true, correct, and in accordance with program provisions. I further certify that all funds requested herein after the expiration date of this contract are for the purpose of liquidating obligations legally incurred under the life of this contract.  Name of Authorized Financial Officer _____  Title _____  Phone _____ Date _____	<b>MAIL PAYMENT TO:</b>  Name _____  Title _____  Address _____  City _____ State _____ Zip _____  Telephone _____  E-Mail Address _____
--	---	--

[Click Here to Send This Report](#)

**BOARD OF CORRECTIONS USE ONLY**  
 Approval \_\_\_\_\_ Date \_\_\_\_\_  
 BOC Representative

### FISCAL INVOICE INSTRUCTIONS

All areas highlighted in green on the Invoice form are to be completed by the grantee. Detailed instructions for completing and submitting the on-line invoice form are contained in each grantee's on-line workbook.

## APPENDIX D

**CORRECTIONS STANDARDS AUTHORITY  
CORRECTIONS PLANNING AND PROGRAMS DIVISION  
600 BERCUT DRIVE  
SACRAMENTO, CA 95814  
(916) 445-5073**

### GRANT AUDIT IDENTIFICATION FORM

☐ In conformance with Federal OMB Circular #A-133, and the California State Controller's Accounting Standards and Procedures Chapter 23, Grant Accounting Index, I assure that the identified grant will be included in the City/County **Single Federal Audit Report** and will be submitted to the CSA within the required timeframe of 120 days from the end of the 12-month grant period.

NOTE: Should you need an extension, please provide in advance a written justification on letterhead that indicates reasons for the extension and the timeframe needed.

**OR**

☐ In conformance with Federal OMB Circular #A-133, and the California State Controller's Accounting Standards and Procedures Chapter 23, Grant Accounting Index, the identified grant will provide a **Program Specific Final Audit Report** and will be submitted to the CSA within the required timeframe of 120 days from the end of the 12-month grant period.

The City/County acknowledges that should an audit finding occur, a corrective action plan will be submitted to the CSA and any disallowed expenditures will be returned to the State of California within 120 days following the completion of the audit.

---

GRANTEE

---

PROJECT FINANCIAL OFFICER

---

DATE

**APPENDIX E**  
**IN-STATE TRAVEL POLICIES**

**County/City Employees**

Travel must comply with agency travel and liability requirements, and must be necessary for the success of the project. Reimbursement will be made according to county/city travel policy.

**Non-Profit Organizations**

Travel for community-based organizations is as follows:

- a. Mileage:** When a privately owned vehicle is used on project-related business, a maximum of **34 cents per mile** is allowed, unless a higher rate is justified and approved by the CSA. This documentation must be on file and available for review and audit.
- b. Meals and Incidentals**
  - **Breakfast \$6.00:** Breakfast may be claimed when travel commences at or prior to 6:00 a.m. Breakfast may be claimed on the last day of a trip of more than 24 hours if travel terminates at or after 9:00 a.m.
  - **Lunch \$10.00:** Lunch may not be claimed for travel less than 24 hours. Lunch may be claimed if the trip begins at or before 11:00 a.m. and may be claimed on the last day of a trip of more than 24 hours if the travel terminates at or after 2:00 p.m.
  - **Dinner \$18.00:** Dinner may be claimed if the trip begins at or before 4:00 p.m. Dinner may be claimed when travel terminates at or after 7:00 p.m., whether on a one-day trip or on the last day of a trip of more than 24 hours.
  - **Incidentals \$6.00:** Incidentals may be claimed for trips of 24 hours or more.
  - **Total: \$40.00 per day**
- c. Lodging (with receipts):**
  - **Statewide** (excluding counties identified below): **\$84.00 plus tax.**
  - **Los Angeles and San Diego** counties: **\$110.00 plus tax.**
  - **Alameda, San Francisco, San Mateo, and Santa Clara** counties: **\$140.00 plus tax.**
- d. Parking:**
  - Parking in excess of \$10.00 must be supported by receipt. No short-term parking is allowed without a pre-approved written justification.
- e. Other:**
  - Taxi, airport shuttle, and other costs that exceed \$3.50 must be supported by receipt.



## APPENDIX F OUT-OF-STATE TRAVEL REQUEST/JUSTIFICATION

### **Out-of-State Travel Justification**

Per the State Travel Policy, out-of-state travel is restricted and only allowed in **exceptional** situations. Additionally, it must meet one of the following criteria outlined by the State of California:

**A. Training:** Training is upgrading specific employee skills to meet job requirements. The need must be urgent and not reasonably available within the State. More than one individual may attend the same training activity **only** when it is in the best interest of the project.

**B. Conferences and Meetings:** Attendance at conferences and meetings with topics directly concerning normal project activities.

Attendance is based on prior approval by the funding agency, but must clearly be of direct benefit to the project. The justification must be complete and show the benefits to the project in terms of the relationship to the projects goals, objectives, and activities.

Please answer the following questions for Out-of-State Approval Review

1. Location of Training
2. Conference dates, including travel days
3. Total number and justification of persons attending; indicate classification of positions and whether they are a speaker, panel member or a participant.
4. Total cost, broken out by individual, for the following categories:
  - Transportation costs: including private vehicle, plane, rental vehicle or other means (indicate the least expensive option)
  - Lodging costs: computed by number of days and rate
  - Meals: Daily cost and local per diem rate utilized, if different from approved state rate
  - Parking
  - Registration Fees
  - Other costs: (describe)
5. Purpose of trip:
  - Explain why the information required is not available in the State
  - Explain how the information needed is practical and of significant importance to justify the costs and why a less costly method for obtaining the information is not available
  - Training goal or objectives
  - Describe the benefit to project
  - Provide a conference or training summary (include conference or training brochure)
  - All special circumstances related to request

# **APPENDIX G PROJECT INCOME**

**CORRECTIONS STANDARDS AUTHORITY**

## **PROJECT INCOME REPORTING TRANSMITTAL** CSA 234 (Rev. 5/04)

Reporting Income

Reporting Expenditures

(1) GRANTEE		(2) GRANT AWARD NUMBER	
(3) ADDRESS			
(4) PROJECT TITLE		(5) REPORT PERIOD	
(6) GRANT PERIOD	(7) CONTACT PERSON	(8) PHONE NUMBER	
<b>(9) Project Income</b> (check all that apply)	<b>(10) Income Received</b>	<b>(11) Proposed Income Allocation</b>	
Asset Forfeiture	\$	Salaries and Benefits	\$
		Services and Supplies	\$
Client Fees	\$	Professional Services	\$
		CBO Grant Contracts	\$
Interest Earned on Generated Income	\$	Administrative Overhead	\$
		Equipment/Fixed Assets	\$
Registration Fees	\$	Other	\$
Other Project Oriented Materials	\$	Total	\$
Other (please describe):	\$	(Totals for Project Income and Proposed Income Allocation must match)	
<b>(12) Expenditure Reporting</b>		<b>(13) Will project income expenditures be used to further the project's activities?</b>	
Salaries and Benefits	\$		
	\$		
		<b>Yes</b>	<b>No (If no, please explain)</b>

Services and Supplies	—				
Professional Services	\$ _____				
CBO Grant	\$ _____				
Contracts	—				
	\$ _____				
Admin. Overhead	—				
Equipment/Fixed Assets	\$ _____				
	\$ _____				
Other	—				
Total	\$ _____				
	—				

(14) LOCAL APPROVAL SIGNATURES	DATE	(15) CSA APPROVAL SIGNATURES	APPROVE	DISAPPROVE	DATE
(A) PROJECT MANAGER		(A) PROGRAM STAFF			
(B) FINANCIAL OFFICER		(B)			

Reason for disapproval of reporting request:

## APPENDIX H

### JUVENILE JUSTICE AND DELINQUENCY PREVENTION PROGRAM AUDIT GUIDE & REQUIREMENTS

#### Purpose of the Audit Guide

The Corrections Standards Authority (CSA), Juvenile Justice and Delinquency Prevention Program Audit Guide is designed to assist the county auditor or independent auditor hired by the county, city, school district, or non-profit organization, to perform the final audit. It offers general insight into the nature and scope of the audit, provides guidelines for the audit report and financial statements, and identifies the minimum audit and reporting requirements necessary to comply with the CSA audit requirements. For the purpose of this audit guide, the term “financial statement” refers to the statement of grant and match revenue, if applicable, and expenditures. This document is not intended to be either a complete manual of audit procedures or a substitute for the auditor’s judgment.

#### Final Audit Requirements

##### 1. Responsibility

Within 120 calendar days of the grant contract expiration date, the project must obtain and submit a

final audit to the CSA. When the agency is making its audit arrangements, advanced planning should be used to ensure the audit is started at project completion and completed within the required time frame. The agency should also allow time for its response to any findings and audit recommendations before the report is sent to the CSA.

Each audit shall consist of an examination of all federal funds. The audit shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA), generally accepted governmental auditing standards, as promulgated by the Comptroller General of the United States, and the standards issued by the CSA. The AICPA's Statements on Auditing Standards (SAS) No. 74, "Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance," provides further information and guidance when auditing a governmental entity's financial statements and determining compliance with laws, regulations, and grant agreement requirements.

Audits should be performed under the direction of a certified public accountant or an independent county, city, and school district internal auditor satisfactory to the CSA. If a county, city, or school district internal auditor performs the audit, the auditor must be organizationally independent from the agency's accounting and project management functions. Additionally, they should obtain assurances that the personnel selected to perform the audit collectively have the necessary skills. It is important that a sound procurement practice be followed when contracting for audit services. Sound contract and approval procedures, including the monitoring of grant contract performance, should be in place. The objectives and scope of the audit should be made clear. In addition to price, other factors to be considered include: the responsiveness of the bidder to the request for proposal; the past experience of the bidder; availability of the bidder staff with professional qualifications and technical abilities; and whether the bidder organization participates in an external quality control review program. It should also be noted that these steps are important whether the grantee is hiring auditors from an outside CPA firm or within its own internal auditing unit.

Since the audit function must maintain organization independence, the grantee financial officer for this project, as cosigner to the grant agreement, cannot perform audits of the grant agreement-related activities. Additionally, internal auditors who report to the financial officer, or to whom the financial officer reports, are cautioned not to perform the audit. The person conducting the audit shall be a public accountant or certified public accountant, unless the audit is completed by the grantee's auditor. Failure to comply with these qualification standards could result in the rejection of the audit report by the CSA.

Grantees also have the option of meeting audit requirements through a Federal Single Audit. However, advance approval is required by the CSA since the timing of the audit may impact the submission of the final audit within 120 calendar days of the grant agreement expiration date. If the grantee decides to submit a Federal Single Audit report in order to satisfy the final audit requirement, the following items must be included in the report:

- a. A Statement of Grant Revenues and Expenditures specific to the grant;
- b. Supplemental Schedules: Schedule of Eligible Project Costs and Schedule of Disallowed or Questioned Costs;
- c. A compliance review to ensure the required language is included in the agreements, separate records are maintained for grant related expenditures and disbursements, and budget modifications were completed as required by the grant agreement.

## 1. 2. Audit Scope

Audits must include, at a minimum, an examination of: the systems of internal control; systems established to ensure compliance with laws and regulations affecting the expenditures of federal funds; financial transactions and accounts; and the agency's process for the submission of contractor billings as well as billings the contractor has submitted to the agency for performance of program tasks. These examinations are to determine whether:

- a. There is effective control over and proper accounting for expenditures, assets, and liabilities;
- b. The periodic financial statements are fairly stated in all material respects;
- c. State funds were expended in accordance with the terms and scope of the grant agreement and those provisions of state law and regulations that could have a material effect on the financial statements;
- d. State funds were expended in accordance with the terms of the project related contracts between the agency and third parties, and that the terms and scope of those third-party contracts complied with provisions of the agency's grant agreement with the CSA; and
- e. In order to accomplish (c) above, a representative number of charges to federal funds shall be tested. The test shall be representative of all cost categories in the agency's grant agreement.

The test is to determine whether the charges:

- Conformed to any limitations or exclusions in the award of federal funds;
  - Included only eligible charges and did not include costs properly chargeable to other programs or accounts;
  - Were properly recorded (i.e., correct amount, date) and supported by source documentation; and
  - Were approved in advance, if they involved a modification subject to prior approval in accordance with the CSA Grant Agreement Standard Conditions.
- f. The audit shall also identify any program-related claims by or against the agency pending at the time the audit is conducted.

## 3. Testing

A sufficient number of items should be selected for review, which represent all material cost categories in the agency's grant agreement and adequately support the auditor's opinion on the Grantee's Statement of Grant Revenues and Expenditures, internal controls, and compliance with laws, regulations, and grant agreement requirements. The audit should determine whether:

- a. Grantee's internal controls over the program were effective and worked as intended;
- b. Reported program expenditures were allowable;

- c. Reported expenditures conformed to funding or program limitations or exclusions;
- d. Report expenditures were not charged to (or reimbursed by) other programs or funding sources;
- e. Transactions were properly approved, reported, and supported by source documentation;
- f. Reported expenditures were incurred within the appropriate period; and
- g. Grantee complied with applicable laws, regulations, and grant agreement requirements.

#### 4. Financial Statement of Grant Revenues and Expenditures

The financial statement that will be included in the audit report is called the *Statement of Grant Revenues and Expenditures*. The *Statement of Grant Revenues and Expenditures* presents the audited program revenues and expenditures. Although only the amounts reported by the Grantee are required to be audited, the auditor should identify all program revenues and expenditures for propriety. Refer to Exhibit E for an example.

#### 5. Notes to the Statement of Grant Revenues and Expenditures

The *Notes to the Statement of Grant Revenues and Expenditures* should include sufficient information to assure fair financial statement presentation and adequate disclosure. The notes include, but are not limited to:

- a. Description of the Grantee's reporting structure;
- b. General program information;
- c. Description of grant;
- d. Basis of financial statement presentation;
- e. Basis of accounting and other significant accounting policies;
- f. Pending litigation;
- g. Ineligible material program costs; and
- h. Other funding sources.

Note: The above list is not meant to be inclusive and may not apply to all audits.

#### 6. Supplemental Information

Supplemental information to the Statement of Grant Revenues and Expenditures includes the following schedules to highlight specific areas of the Grantee's grant activity:

- a. Grant agreement budget and actual costs (by budget category);
- a. Eligible project costs (by budget category); and

- b. Recommended disallowed costs.

Refer to Exhibits F, G, and H for examples.

5. 7. Audit Certification

The audit report to the CSA should contain:

- a. A description of the statements examined and the period covered; and
- b. An opinion as to whether all audit scope criteria has been met satisfactorily by the Grantee. If an unqualified opinion cannot be expressed, state the nature of the qualification, reservation, or exception.

8. Grantee Specific Requirements (if appropriate)

The audit report to the CSA should contain any Grantee-specific requirements not aforementioned.

9. Audit Findings and Recommendations

The auditor shall advise the Grantee of any findings and recommendations. The final audit report shall be sent to the Governing Board of the Grantee and shall incorporate the Grantee's response and plans for corrective actions to any auditor findings and recommendations. One copy of the final audit report, including management letters and corrective action plans (if applicable), must be filed with the CSA no later than 120 calendar days after completion of the program

Audit findings and recommendations shall be explained in sufficient detail to enable the reader to understand both the condition (showing cause and effect) and the criteria of the weakness or condition of noncompliance. The recommendation should relate to the specific cause of the finding.

Grantee management is responsible for corrective action and follow-up on all audit findings. A corrective action plan for each finding and recommendation must be prepared by the Grantee (within ten days after notification of the findings) and submitted to the CSA as part of the final audit report. The corrective action plan must include:

- a. Description of each finding and recommendation;
- b. Specific steps taken to remedy the finding or implement the recommendation;
- c. Timetable for performance of each corrective action; and
- d. Description of monitoring to be performed, and who will perform it to ensure implementation of each corrective action.

10. Review of Audit Reports – Release of Withholding of Disbursement

The CSA has the responsibility of conducting desk reviews of the audit report(s) to determine whether the report is in conformance with the provisions of this manual. Conformance problems are judged for materiality in relation to the audit report(s) being reviewed. Reports with major reporting

problems or a significant number of minor problems will be rejected.

After review of each audit report, the CSA will mail written notification of the desk review results to the Grantee. For reports that are not accepted, notification letters will include a brief description of each deficiency. The auditor is required to make necessary corrections and submit the revisions promptly. The CSA will assist in all efforts to correct report deficiencies so that an acceptable report is filed. Auditors and counties are encouraged to contact their assigned CSA representative if they have any questions.

As indicated in the grant agreement requirements section of this manual, at such time as the balance of grant funds allocated to the project reaches five percent (5%), the CSA shall withhold that amount as security, to be released to the agency upon complying with all grant agreement provisions.

The CSA may disallow (deny use of grant funds) all or part of the cost of the activity or action determined to be ineligible and not in compliance with the terms and conditions of the grant agreement. If this occurs, the CSA will deduct ineligible grant expenditures from the amount withheld and release the balance to the Grantee. If ineligible grant expenditures exceed five percent (5%) withheld, the CSA will request necessary repayment or take other remedies legally available.

#### 11. Retention of Records

The Grantee should include the following provisions in their contracts for outside audits:

The CSA or its designated representatives shall be granted access to audit working papers prepared by the auditor and shall be retained for a minimum of three (3) years from the date of the audit report unless the auditor is notified in writing by the CSA to extend the retention period.



## **ILLUSTRATIVE AUDITOR'S REPORTS**

The following illustrations of audit reports are intended for information purposes to provide general assistance to the auditor. These reports are issued for an unqualified opinion. If the auditor finds it necessary to issue an opinion other than unqualified, reference should be made to the appropriate Statements on Auditing Standards (SAS) as noted below. If the auditor issues an opinion on the agency's financial statements as part of a Single Audit, reference should be made to SAS 58 (Reports on Audited Financial Statements) (Exhibit A). If the auditor conducts an audit of grant activities and issues an opinion on the Statement of Grant Revenues and Expenditures, then SAS 62 (Special Reports) is to be used as shown in Exhibit B. In addition to the financial opinion, the auditor must also issue reports on the internal control structure (Exhibit C) and on compliance with laws, regulations and grant agreement requirements (Exhibit D), in accordance with SAS 74 (Compliance Auditing Applicable to Governmental Entities and Other Recipients of Governmental Financial Assistance).

**EXHIBIT A – INDEPENDENT AUDITOR'S REPORT (SINGLE AUDIT)**

**EXHIBIT B – INDEPENDENT AUDITOR'S REPORT (SPECIAL REPORT)**

**EXHIBIT C – INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE**

**EXHIBIT D – INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS,  
REGULATIONS, AND GRANT AGREEMENT REQUIREMENTS**

## EXHIBIT A

*(SAS 58 Report to be used for a Single Audit)*

### (INDEPENDENT AUDITOR'S LETTERHEAD)

Governing Board  
ABC Agency  
1000 Main Street  
XYZ, CA 12345

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying \_\_\_\_\_  
of ABC Agency for the period \_\_\_\_\_ through \_\_\_\_\_. These statements are the  
responsibility of the ABC Agency management. Our responsibility is to express an opinion on these  
financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government  
Auditing Standards, issued by the Comptroller General of the United States. Those standards require that  
we plan and perform the audit to obtain reasonable assurance about whether the financial statements are  
free of material misstatement. An audit includes examining, on a test basis, evidence supporting the  
amounts and disclosures in the financial statements. An audit also includes assessing the accounting  
principles used and significant estimates made by management, as well as evaluating the overall financial  
statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the  
\_\_\_\_\_ of ABC Agency for the period \_\_\_\_\_ through \_\_\_\_\_  
in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a  
whole. The supplemental schedules are presented for purposes of additional analysis and are not a required  
part of the basic financial statements. Such information has been subjected to the auditing procedures  
applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material  
respects in relation to the basic financial statements taken as a whole.

AUDITOR'S SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

## EXHIBIT B

*(SAS 62 Report to be used for audit of grant revenues and expenditures)*

### (INDEPENDENT AUDITOR'S LETTERHEAD)

Governing Board  
ABC Agency  
1000 Main Street  
XYZ, CA 12345

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying Statement of Grant Revenue and Expenditures of ABC Agency in accordance with the State of California's Corrections Standards Authority' Juvenile Justice and Delinquency Program Grant Agreement No. \_\_\_\_\_ for the period \_\_\_\_\_ through \_\_\_\_\_. This statement is the responsibility of the ABC Agency management. Our responsibility is to express an opinion on the Statement of Grant Revenues and Expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement of Grant Revenue and Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement of Grant Revenue and Expenditures was prepared for the purpose of complying with the audit requirements of the State of California's Corrections Standards Authority' Juvenile Justice and Prevention Program Grant Agreement No. \_\_\_\_\_ as described in Note 1 and is not intended to be a complete presentation of the agency's revenues and expenditures.

In our opinion, the Statement of Grant Revenue and Expenditures referred to above presents fairly, in all material respects, the grant revenues and expenditures of ABC Agency in accordance with the State of California's Corrections Standards Authority' Juvenile Justice and Prevention Program Grant Agreement No. \_\_\_\_\_ for the period \_\_\_\_\_ through \_\_\_\_\_ in conformity with generally accepted accounting principles. In accordance with Government Auditing Standards, we have also issued a report dated \_\_\_\_\_ on our consideration of the agency's internal controls, and a report dated \_\_\_\_\_ on the compliance with applicable laws, regulations and grant agreement requirements.

Our audit was conducted for the purpose of forming an opinion on the Statement of Grant Revenues and Expenditures taken as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the Statement of Grant Revenue and Expenditures. Such information has been subjected to the auditing procedures applied in the audit of the Statement of Grant Revenue and Expenditures and, in our opinion, is fairly stated in all material respects in relation to the Statement of Grant Revenue and Expenditures taken as a whole.

This report is intended for the information and use of the management of ABC Agency and the State of California's Corrections Standards Authority. However, this report is a matter of public record and its distribution is not limited.

AUDITOR'S SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

## EXHIBIT C

### (INDEPENDENT AUDITOR'S LETTERHEAD)

Governing Board  
ABC Agency  
1000 Main Street  
XYZ, CA 12345

#### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE

We have audited the Statement of Grant Revenues and Expenditures of ABC Agency in accordance with the State of California's Corrections Standards Authority' Juvenile Justice and Prevention Program Grant Agreement No. \_\_\_\_\_ for the period through \_\_\_\_\_, and have issued our report thereon dated \_\_\_\_\_.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Statement of Grant Revenues and Expenditures is free of material misstatement.

Management of the agency is responsible for establishing and maintaining internal controls. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in internal controls, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the controls to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the agency's statement of Grant Revenues and Expenditures in accordance with the State of California's Corrections Standards Authority' Juvenile Justice and Prevention Program Grant Agreement No. \_\_\_\_\_ for the period \_\_\_\_\_ through \_\_\_\_\_, we obtained an understanding of the agency's internal controls. This understanding included the design of relevant policies and procedures, and whether they have been placed in operation; furthermore, we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide an opinion on the internal controls. Accordingly, we do not express such an opinion.

Our consideration of the internal controls would not necessarily disclose all matters that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal controls and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the agency's management and the California Corrections Standards Authority. However, this report is a matter of public record and its distribution is not limited.

AUDITOR'S SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT D**

**(INDEPENDENT AUDITOR'S LETTERHEAD)**

Karen L. Stoll, Deputy Director  
Corrections Standards Authority  
Corrections Planning and Programs Division  
600 Bercut Drive  
Sacramento, CA 95814-0185

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS, REGULATIONS  
AND AGREEMENT REQUIREMENTS**

We have audited the Statement of Grant Revenues and Expenditures of Y Agency in accordance with the Corrections Standards Authority' Juvenile Justice and Delinquency Prevention Program Grant Agreement No. \_\_\_\_\_ for the period \_\_\_\_\_ through \_\_\_\_\_, and have issued our report thereon dated \_\_\_\_\_.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement of Grant Revenues and Expenditures is free of material misstatement.

Compliance with laws, regulations, agreements, and grants applicable to the agency is the responsibility of Y Agency's management. As part of obtaining reasonable assurance as to whether the financial statement is free of material misstatement, we performed tests of agency compliance with certain provisions of laws, regulations, and grant agreement requirements. However, the objective of our audit of the Statement of Grant Revenues and Expenditures was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the agency complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the agency had not complied, in all material respects, with those provisions.

AUDITOR'S SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

## **ILLUSTRATIVE FINANCIAL STATEMENT AND SCHEDULES**

The following illustrations of schedules are intended for information purposes to provide general assistance to the auditor. They represent the minimum financial information, which must be included in the audit report. The format and layout of these schedules are optional. However, the information included in the schedules is required. If a schedule is non-applicable, the auditor should indicate this in the audit report. The illustrations that follow are not intended to be all-inclusive. The auditor performing the audit should make professional judgments and determinations of any additional information, which should be included in the report.

### **Basic Financial Statement**

#### **EXHIBIT E - STATEMENT OF GRANT REVENUES AND EXPENDITURES**

#### **EXHIBIT F - SCHEDULE OF AGREEMENT TO ACTUAL COSTS, BUDGET TO ACTUAL**

#### **EXHIBIT G - SCHEDULE OF ELIGIBLE PROJECT COSTS**

#### **EXHIBIT H - SCHEDULE OF RECOMMENDED DISALLOWED COSTS**

#### **EXHIBIT I - AUDIT CHECKLIST**

The CSA, in conjunction with the State of California Department of Finance, Office of the State Audits and Evaluations, developed an audit checklist to help grantees prepare for an audit. Grantees are encouraged to review this checklist to ensure adequate financial procedures are in place to meet CSA auditing requirements and standards.

**EXHIBIT E**

**AGENCY NAME:** \_\_\_\_\_

**JUVENILE JUSTICE DELINQUENCY AND PREVENTION PROGRAM**

**STATEMENT OF GRANT REVENUES AND EXPENDITURES**

GRANT PERIOD: FROM \_\_\_\_\_ TO \_\_\_\_\_

**Revenues:**

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

**Total Revenues:**

\$ \_\_\_\_\_

**Expenditures:**

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

**Total Expenditures:**

\$ \_\_\_\_\_

**Excess of Revenues over Expenditures:**

\$ \_\_\_\_\_

The accompanying notes are an integral part of this statement.

**EXHIBIT F**

AGENCY NAME: \_\_\_\_\_

**JUVENILE JUSTICE DELINQUENCY AND PREVENTION PROGRAM  
SCHEDULE OF AGREEMENT TO ACTUAL COSTS (BUDGET TO ACTUAL)**

GRANT PERIOD: FROM: \_\_\_\_\_ TO: \_\_\_\_\_

<u>Budget Line Item</u>	<u>Budget</u>	<u>Expenditures</u>	<u>(Over)/Under</u>
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
<b>TOTAL:</b>	\$ _____	\$ _____	\$ _____



**EXHIBIT G**

AGENCY NAME \_\_\_\_\_

**JUVENILE JUSTICE DELINQUENCY AND PREVENTION PROGRAM  
SCHEDULE OF ELIGIBLE PROJECT COSTS**

GRANT PERIOD: FROM \_\_\_\_\_ TO \_\_\_\_\_

Budget Line Item	COSTS CLAIMED FOR				Total
	State Costs Claimed	Cash Match	In-Kind Match	Other Costs	
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>TOTAL:</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

**EXHIBIT H**

AGENCY NAME: \_\_\_\_\_

**JUVENILE JUSTICE DELINQUENCY AND PREVENTION PROGRAM  
SCHEDULE OF RECOMMENDED DISALLOWED COSTS (STATE FUNDS)**

GRANT PERIOD: FROM \_\_\_\_\_ TO \_\_\_\_\_

<b>BUDGET LINE ITEM</b>	<b>TOTAL COSTS CLAIMED</b>	<b>COSTS ACCEPTED</b>	<b>RECOMMENDED DISALLOWANCES</b>
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
<b>TOTAL:</b>	\$ _____	\$ _____	\$ _____

## EXHIBIT I

<b>CORRECTIONS STANDARDS AUTHORITY JUVENILE JUSTICE DELINQUENCY AND PREVENTION PROGRAM AUDIT DOCUMENTATION CHECKLIST</b>
--

Agency Name: \_\_\_\_\_

Grant Agreement No.: \_\_\_\_\_

Grant Agreement Period: \_\_\_\_\_

Project Name: \_\_\_\_\_

Grant Agreement Amount: \_\_\_\_\_

Project Financial Officer: \_\_\_\_\_

Project Contact Person: \_\_\_\_\_

Chief Probation Officer: \_\_\_\_\_

Checklist completed by: \_\_\_\_\_

Date: \_\_\_\_\_

---

The purpose of this checklist is to assist grantees in determining if they are maintaining an adequate audit trail in the event of an audit. The checklist is based on 1) generally accepted auditing standards, 2) *Government Auditing Standards*, and 3) *Juvenile Justice and Delinquency Prevention Program Grant Administration and Audit Guide*.

Because each agreement is slightly different, this checklist is merely a guide that covers general audit areas. All questions in the checklist have been designed to show a "YES" or "N/A" for favorable responses. All "NO" responses identify situations that require research or clarification since the audit trail or records could be improved upon. However, judgment should be used in answering each question since each audit trail is different. Overall, documentation shall be maintained in such detail so as to provide an audit trail that will permit tracing of transactions from the invoices to the financial statements, to the accounting records, and to the supporting documentation.

### TOP FIVE AUDIT FINDINGS

1. Lack of supporting documentation by agency;
2. Inadequate supporting documentation maintained by contractor;
3. Lack of Budget/Program modification;
4. Omission of required language in contracts;
5. Late submittal of Invoices, Semi-Annual Progress Reports, or the Final Evaluation Report.

### References:

*ROPP I Grant Contract Administration and Audit Guide*

*AICPA Audit and Accounting Guide, Audits of State and Local Governmental Unit*

*Generally accepted Auditing Standards*

*Government Auditing Standards*

A. INTERNAL CONTROLS	Yes	No
1. Does the agency have an organizational chart for each department involved with the grant?	_____	_____
a. Accounting Department	_____	_____
b. Auditor/Controller Department	_____	_____
c. Contract Agencies	_____	_____
2. Has the agency determined adequate separation of duties exist among the divisions, if applicable?	_____	_____
a. Are transactions received, approved, and posted by more than one employee for any one transaction? (Separation of duties issue – no more than one employee may perform any of the above tasks.)	_____	_____
3. Does the agency maintain duty statements for all employees involved with the grant?	_____	_____
4. Does the agency maintain written internal control procedures and flowcharts for the following procedures?	_____	_____
a. Grant agreement receipts and deposits	_____	_____
b. Grant agreement disbursements	_____	_____
c. Corrections Standards Authority invoices, including methodology of computing amount billed to the CSA?	_____	_____
5. Does the agency have audit reports covering the agency's internal control structure within the last two years?	_____	_____

B. GRANT AGREEMENTS	Yes	No
1. Does the agency have the original grant agreement between the agency and the CSA?	_____	_____
2. Does the agency ensure that staff involved with the grant read the agreement between the agency and the CSA?	_____	_____
3. Does the staff involved with the grant keep a copy of the grant agreement as a reference?	_____	_____
4. Did the agency submit any grant agreement amendments to the CSA?	_____	_____
a. If so, does the agency maintain copies of the grant agreement amendments and adequate supporting documentation for the reason a grant agreement amendment was requested?	_____	_____
5. Did the agency submit any budget modifications?	_____	_____
a. If not, did the agency incur any substantial changes or modifications that would require a budget modification?	_____	_____
b. If the agency did submit budget modifications, did they maintain	_____	_____

- |   |       |       |
|---|-------|-------|
| copies of the budget modifications and supporting documentation?  | _____ | _____ |
| 6. Does the agency maintain or have access to the original agreement or contracts properly executed by the appropriate parties? | _____ | _____ |
| 7. Do the contractor contracts contain the required language?   | _____ | _____ |
| a. Maintenance of books and records   | _____ | _____ |
| b. Access to books and records  | _____ | _____ |
| c. Non-Discrimination clause  | _____ | _____ |
| d. Access to project staff and facilities   | _____ | _____ |

<b>C. ACCOUNTING RECORDS</b>	<b>Yes</b>	<b>No</b>
------------------------------	------------	-----------

- |  |       |       |
|--|-------|-------|
| 1. Does the agency have an official project file that includes ALL the documents and correspondence related to the grant?                    | _____ | _____ |
| 2. Has the agency established separate accounts to record funds received by the agency that clearly identifies they are for the grant?       | _____ | _____ |
| 3. Does the agency maintain a project costing system or a system that tracks all the receipts and disbursements related to a specific grant? | _____ | _____ |
| a. If so, is the system's printout reviewed by management and program (grant) staff?   | _____ | _____ |
| b. Are discrepancies (if any) investigated and resolved?   | _____ | _____ |

<b>D. INVOICES</b>	<b>Yes</b>	<b>No</b>
--------------------	------------	-----------

- |  |       |       |
|--|-------|-------|
| 1. Does the agency have copies of the reimbursement requests forwarded to the CSA?   | _____ | _____ |
| 2. Does the agency maintain adequate supporting documentation for all disbursements claimed on the CSA invoices, such as vendor/contractor invoices?                                     | _____ | _____ |
| a. Can the supporting documentation be easily tied back to the CSA invoices? (Are invoices identified by line item?)   | _____ | _____ |
| b. Does each line item from the CSA invoice have a supporting calculation? (Is it determinable how the number was calculated?)   | _____ | _____ |
| 3. Does the agency maintain copies of approved purchase orders or approved expenditure requests?   | _____ | _____ |
| 4. Does the agency maintain proof of receipt of goods?   | _____ | _____ |
| 5. Do the contractor invoices include adequate detail for the work performed?  | _____ | _____ |
| a. If the contractor bills individually for each client or by the group/class, does the invoice specify what the service was, name(s) of client(s), fee for service, and time allocated? | _____ | _____ |

b. Does the agency maintain any documentation, such as a client sign-in log to verify the service was provided and substantiate the grant contractor invoice?	_____	_____
c. If the contractor bills by the hour, do the invoices include detail for the work performed during those hours? (For example, an invoice for counseling services should include, at a minimum, the name of the client(s), name of the service provider, date and duration of service, and the fee charged for the service).	_____	_____
6. Randomly select an invoice and reconcile the line item billed to the supporting documentation. Does the line item amount agree with amount invoiced?	_____	_____
7. Do the rates charged by the vendor/contractor comply with the grant contract terms?	_____	_____
8. Does the agency submit bi-annual fiscal invoices and progress reports within 45 calendar days after the end of the designated reporting period?	_____	_____
a. Are the quarterly fiscal invoices and progress reports properly authorized?	_____	_____
b. Has the agency submitted quarterly fiscal reports even if no program expenditures were made or reimbursement claimed for the reporting period?	_____	_____

<b>E. CASH DOCUMENTS</b>	<b>Yes</b>	<b>No</b>
--------------------------	------------	-----------

1. Does the agency maintain receipts documenting payments received from the CSA?	_____	_____
2. Does the agency maintain deposit slips to document deposit of the payments received from the CSA?	_____	_____
3. Does the agency deposit CSA payments timely? (within a week)	_____	_____
4. Can the agency provide cancelled checks or disbursement documents documenting the payments made to the vendors/contractors?	_____	_____
5. Can the agency provide bank statements documenting the deposit of the receipts from the CSA and the vendor/contractor disbursements clearing the bank?	_____	_____
6. Can the agency provide general ledgers documenting the entries for cash receipts and cash disbursements?	_____	_____

<b>F. SALARIES AND BENEFITS</b>	<b>Yes</b>	<b>No</b>
---------------------------------	------------	-----------

1. Does the agency maintain payroll records for agency staff involved with the grant project?	_____	_____
---	-------	-------

- |  |       |       |
|--|-------|-------|
| a. Official timesheets for grant-related employees (full-time and part-time)?  | _____ | _____ |
| b. Salary rates per personnel records for grant-related employees (full-time and part-time)?   | _____ | _____ |
| c. Time allocation for part-time employees - actual hours worked (i.e., time logs)? ( <b>Reminder:</b> estimates and approximate percentages are not acceptable for salaries.) | _____ | _____ |
| 2. If the benefits amount is based on an allocation percentage of actual hours worked (salary calculation), is the benefits amount reasonable?                                 | _____ | _____ |
| 3. Can the supporting payroll and benefits records be easily tied back to the salaries and benefits line item on the CSA invoices?   |       |       |
| a. Randomly select an invoice and agree salaries and benefits amount billed to supporting documentation. Does amount agree with amount invoiced?                               | _____ | _____ |
| 4. If employees assigned to the project are changed, are the changes necessary for the direct delivery of services associated with the program?                                | _____ | _____ |
| 5. Does the agency verify that salaries and benefits are not also claimed/reimbursed under another separate agreement or grant?  | _____ | _____ |

G. SERVICES AND SUPPLIES	Yes	No
1. Does the agency maintain copies of approved purchase orders or approved expenditure requests?	_____	_____
2. Does the agency maintain adequate proof of receipt, vendor invoices, or signed receipts?	_____	_____
3. Can the supporting service and supplies records be easily tied back to the line item on the CSA invoices?	_____	_____
(Is it determinable how the number was calculated?)	_____	_____
a. Randomly select an invoice and agree services and supplies amount billed to supporting documentation. Does amount agree with amount invoiced?	_____	_____
4. Does the agency verify that services and supplies are not also claimed/reimbursed under another separate agreement or grant? (Is double reimbursement of expenditures avoided?)	_____	_____

H. TRAVEL/PER DIEM	Yes	No
1. Does the agency maintain agency travel policies in accordance with state grant agreement guidelines?	_____	_____

- |  |       |       |
|--|-------|-------|
| 2. Does the agency maintain current per diem rates in accordance with state grant agreement guidelines?  | _____ | _____ |
| 3. Does the agency maintain documentation to support purpose and cost of travel associated with program? (Applies to both reimbursable costs and match costs.) | _____ | _____ |
| 4. Does the agency ensure they are requesting reimbursement for only in-state travel?  | _____ | _____ |
| 5. Can the supporting travel/per diem records be easily tied back to the line item on the CSA invoices?  | _____ | _____ |
| a. Randomly select an invoice and agree travel/per diem amount billed to supporting documentation. Does amount agree with amount invoiced?                     | _____ | _____ |
| 6. Does the agency verify that travel/per diem is not also claimed/reimbursed under another separate agreement or grant?                                       | _____ | _____ |

<b>I. PROFESSIONAL SERVICES</b>	<b>Yes</b>	<b>No</b>
---------------------------------	------------	-----------

- |  |       |       |
|--|-------|-------|
| 1. Does the agency verify that the rates charged comply with the agreement?  | _____ | _____ |
| 2. Does the agency maintain evidence that the services were provided?  | _____ | _____ |
| 3. Can the supporting professional services records be easily tied back to the line item on the CSA invoices?                                    | _____ | _____ |
| (Is it determinable how the number was calculated?)  | _____ | _____ |
| a. Randomly select an invoice and agree professional services amount billed to supporting documentation. Does amount agree with amount invoiced? | _____ | _____ |
| 4. Does the agency verify that professional services are not also claimed/reimbursed under another separate agreement or grant?                  | _____ | _____ |

<b>J. COMMUNITY-BASED ORGANIZATIONS</b>	<b>Yes</b>	<b>No</b>
---	------------	-----------

- |   |       |       |
|---|-------|-------|
| 1. Does the agency maintain an approved contract with the Community-Based Organizations (CBOs)? | _____ | _____ |
| 2. Do the rates charged by the CBO comply with the contract terms?                              | _____ | _____ |
| 3. Does the agency maintain evidence that the services were provided by the third party (CBO)?  | _____ | _____ |
| 4. Can the supporting CBO records be tied back to the line item on the CSA invoices?            | _____ | _____ |
| (Is it determinable how the number was calculated?)   | _____ | _____ |



- a. Randomly select an invoice and agree CBO charges billed to supporting documentation. Does amount agree with amount invoiced? \_\_\_\_\_

*Note: The CSA agreement does not require that CBOs provide the agency copies of its supporting documentation. However, agency is liable if proper documentation is not maintained.*

6. Does the agency verify that CBO charges are not also claimed/reimbursed under another separate contract or grant? \_\_\_\_\_

<b>K. ADMINISTRATIVE OVERHEAD</b>	<b>Yes</b>	<b>No</b>
-----------------------------------	------------	-----------

- |   |       |       |
|---|-------|-------|
| 1. Does the agency maintain supporting documentation or the calculation overview for the administrative overhead line item? | _____ | _____ |
| 2. If the supporting documentation is based on the allocation method, is the amount reasonable?                             | _____ | _____ |
| 3. Is the administrative overhead percentage limited to 10% of the grant award?   | _____ | _____ |

<b>L. FIXED ASSETS</b>	<b>Yes</b>	<b>No</b>
------------------------	------------	-----------

- |   |       |       |
|---|-------|-------|
| 1. Does the agency maintain an inventory system that tracks the fixed assets purchased with state funds?          | _____ | _____ |
| 2. Are agency fixed assets purchased necessary for the delivery of services directly associated with the program? | _____ | _____ |
| 3. Are the fixed assets purchased with state funds clearly identifiable as state assets?                          | _____ | _____ |
| 4. Are the fixed assets safeguarded from loss or theft?   | _____ | _____ |
| 5. Have fixed assets in an amount over \$1,000 purchased with state funds been approved by the CSA?               | _____ | _____ |
| a. If so, has the approval for fixed asset purchases been documented and retained by the agency?                  | _____ | _____ |

<b>M. COMMENTS/EXPLANATIONS</b>
---------------------------------